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June 7, 1999

Presiding Judge of the Superior Court State of California P.O. Box 2724 San Diego, California 92112-2720

SUBJECT:

Comments on Findings and Recommendations 99-13,

99-21 and 99-22 in the 1998-99 San Diego County Grand Jury

Report, "Water for San Diego County"

On behalf of the San Diego County Water Authority, I am pleased to forward the enclosed comments on Findings and Recommendations in the 1998-99 San Diego County Grand Jury Report, "Water for San Diego County," that pertain to this agency.

We appreciate the Grand Jury's efforts in reviewing San Diego County water issues and thank you for the opportunity to comment on its report.

Sincerely,

Joseph Parker

Chair

Enclosure

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San Diego County Water Authority Comments Regarding the San Diego County Grand Jury 1998-99 Report, "Water for the City of San Diego"

## Finding and Recommendation 99-13

The City of San Diego and the SDCWA should work with state and federal legislators to increase Southern California's supply of water. This should include support of legislation to move water from Northern California around the Sacramento Delta for use by the southern portion of the state. It should also include support of legislation to reallocate Colorado River water so that urban areas receive increased water. Disincentives to agricultural conservation of water should be replaced by incentives for agricultural users to conserve. This may facilitate water transfers.

### Comment

The San Diego County Water Authority agrees with the spirit of this finding, which is that Southern California must increase its water supply. However, we do not necessarily agree with the methods suggested in the finding to achieve this goal.

The Authority is working aggressively to increase the reliable supply of high-quality water to the San Diego region and the rest of Southern California, largely through water transfers from the Colorado River and, potentially, central and northern California. The Authority also works with its member agencies to expand San Diego's local water resources through water recycling, groundwater development and conservation programs. Depending on local conditions, San Diego imports between 75 and 95 percent of its total water supply each year.

The Authority is acting to implement its long-term contract with the Imperial Irrigation District (IID) to purchase up to 200,000 acre-feet of conserved Colorado River water per year. The water to be transferred under the contract will result from voluntary conservation by Imperial Valley farmers and other conservation measures undertaken by IID. Before any water is transferred, the Authority and IID must complete the environmental review process and gain certain approvals from the State Water Resources Control Board and the Bureau of Reclamation.. In addition, IID must develop its conservation program and secure voluntary conservation agreements with Imperial Valley landowners. Fallowing of land within the Imperial Valley is prohibited as a conservation method under the contract. These contingencies should be fulfilled early in the next decade, allowing transferred water to begin flowing to San Diego within five years.

The Authority sought the IID transfer agreement as a means to increase San Diego's reliable supply of Colorado River water and give our region an independent source of imported water. The Authority believes conservation-and-transfer agreements with agricultural water agencies represent San Diego's best hope for expanding its Colorado River supplies. Reallocation

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of California's Colorado River entitlement -- in effect, taking water from the agricultural agencies, with their senior rights, and giving it to coastal Southern California, which has the most junior right -- would be problematic at best. Reallocation of Colorado River water absent voluntary agreements could require Congressional action and, even then, likely would touch off costly litigation. The Authority would rather seek market-based solutions that improve San Diego's water supply situation in the near future.

In the area of the Sacramento-San Joaquin River Delta, the Authority is actively participating in a joint state-federal effort to restore the Delta as a reliable water supply and a healthy ecosystem. This effort, known as CalFed, is focusing much of its attention on improving the way water flows through the Delta to water project facilities that deliver water to cities and farms in central and southern California (including San Diego). The Authority supports CalFed's program, with the stipulation that CalFed must commit itself to taking further actions if it fails to achieve interim goals for water supply and improved water quality within seven years. Such further actions may include construction of a canal that conveys water around the Delta to cities and farms. However, such a canal would cost at least \$1.5 billion, according to CalFed, and it would be very controversial politically. Due to these factors, the Bay-Delta program identified as the preferred alternative by CalFed does not presently include construction of a new canal. The Authority believes that CalFed should be given the fullest opportunity to improve the reliability and quality of water deliveries from the Bay-Delta without building a canal.

# Finding and Recommendation 99-21

The City of San Diego and the SDCWA should monitor and encourage research about water desalination, even though desalination is currently prohibitively expensive.

## Comment

The San Diego County Water Authority agrees with this finding and has implemented the recommendation. The Authority's Water Resources Plan states that seawater desalination "must be considered in the development of any comprehensive water resource management plan" for San Diego. The Authority has studied two major seawater desalination proposals during the 1990s. Both studies concluded that the construction of seawater desalination plants is not economical at this time.

The first study, completed in 1991, examined a large powerplant and desalination plant in northern Baja California, Mexico. The analysis found this project to be uneconomical, largely because of the cost of pumping the product water 25 miles into the Authority's distribution system. The second study was of a desalination plant to be constructed in the South Bay, in conjunction with the repowering of an existing San Diego Gas and Electric power plant. Although the report found the plant to be technically feasible, many of the anticipated economies of scale of locating it with SDG&E's power plant failed to materialize and the plant was determined to be uneconomical at that time. The Authority Board subsequently decided to focus in the near term on providing funding and support for seawater desalination only through the Metropolitan Water District of Southern California's ongoing projects.

## Finding and Recommendation 99-22

The City of San Diego and the SDCWA should continue to seek out, study, encourage, and fund all sources of water conservation, storage, and treatment methods for the long term and future generations.

## Comment

The San Diego County Water Authority agrees with this finding and has implemented the recommendation. The Authority routinely studies programs that may make water use more efficient and supports those that prove to be cost-effective for the San Diego region. While the Authority does not own any water storage or treatment facilities at this time, it has begun expanding the region's storage capacity and is analyzing future treatment needs.

The Authority's Water Resources Plan declares that water conservation is "frequently the lowest-cost resource available to the Authority and its member agencies. Therefore, it will play a major role in any water resources mix." Similarly, the Plan notes that recycled water will "play an increasingly important role as projects currently under design or construction begin production" of water. In addition, efforts to expand existing groundwater supplies and develop new resources are in the works throughout the county.

The Authority provides funding and technical support to its member agencies for conservation, recycling and groundwater programs that reduce San Diego's demand for imported water. The Authority's fiscal 1998-99 budget allots \$1.1 million for local resource development and conservation programs. The Authority estimates that San Diego County will recycle and reuse up to eight percent of its water and conserve about 10 percent annually in 2015. Groundwater recovery and development programs are expected to meet as much as six percent of the total estimated demand in the Authority's service area in 2015.

The Authority also studies and supports efforts to increase and improve water storage and treatment capacities in San Diego County. It has conducted two major studies of the region's storage needs. One study resulted in the \$730 million Emergency Water Storage Project, which will ensure that San Diego County has sufficient water to withstand a prolonged disruption of normal water deliveries without suffering sustained economic and environmental damage. The project calls for the Authority to build one reservoir and expand another. Both reservoirs will be connected to the Authority's regional water pipelines, as will a third, existing reservoir. Design work on the new reservoir, located in the Olivenhain area, began this year. The Authority also will construct new pipelines to deliver water where and when it is needed during an emergency that disrupts normal water deliveries. The project, scheduled for completion in 2010, will add 90,100 acre-feet in storage capacity within the county. Combined with storage space already dedicated to emergency use, the additional capacity should meet the county's emergency needs well into the 21<sup>st</sup> century.

San Diego's future water treatment needs are being analyzed as part of the \$1.1 million Regional Water Facilities Master Plan study, which the Authority initiated in 1997. The aim of the study is to determine which regional facilities -- treatment, conveyance and storage -- will be needed to meet projected water demands in San Diego County through 2030.